

EXHIBIT A

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CONFERENCE

1 UNITED STATES DISTRICT COURT
1 SOUTHERN DISTRICT OF NEW YORK
2 -----x

3 SECURITIES AND EXCHANGE
3 COMMISSION,

4 Plaintiff,

New York, N.Y.

5 v.

09 Civ. 8811 (JSR)

6 GALLEON MANAGEMENT, LP, et
7 al.,

8 Defendants.

9 -----x

10 November 4, 2009
10 10:27 a.m.

11 Before:

12 HON. JED S. RAKOFF,

13 District Judge

14 APPEARANCES

15 SECURITIES AND EXCHANGE COMMISSION

16 Attorneys for Plaintiff

16 BY: VALERIE ANN SZCZEPANIK

17 JASON E. FRIEDMAN

17 DAVID ROSENFELD

18 DAVID STOELTING

19 SHEARMAN & STERLING LLP

19 Attorneys for Defendant

20 Galleon Management, LP

20 BY: ADAM HAKKI

21 STEPHEN FISHBEIN

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APPEARANCES CONTINUED

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3 AKIN GUMP STRAUSS HAUER & FELD LLP (NY)
4 Attorneys for Defendant Raj Rajaratnam
5 BY: SAMIDH GUHA
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8 Attorneys for Defendant Raj Rajaratnam
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13 Attorneys for Defendant Rajiv Goel
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22 Attorneys for Defendant Danielle Chiesi
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39 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
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1 (Case called; all sides ready)
2 THE COURT: OK. So I'm sorry for the delay but I am a
3 doctor's son so I have a tradition to uphold.
4 So do we have a case management plan?
5 MR. ALTMAN: Your Honor, Theodore Altman.
6 All the parties have been talking, and we have
7 written --
8 THE COURT: That's what you get paid to do.
9 MR. ALTMAN: -- written a proposal that is handwritten
10 right now that we agreed on, the defendants and the SEC.
11 The proposal concerns production of electronic
12 surveillance material, which will occur promptly within 30
13 days. There is a piece to this that we have been talking to
14 the U.S. Attorney's Office that they are prepared to commit to.
15 We will have a writing on it but it has not yet been done. In
16 exchange for that, effectively what we are going to do is defer
17 the order as it is written, all dates in the order, for 90
18 days.
19 THE COURT: No. So let's proceed to the case
20 management plan.
21 Is this a jury trial?
22 MS. SZCZEPANIK: Yes, your Honor. We have a jury
23 demand.
24 Do you have a copy of the case management plan we just
25 submitted by e-mail?

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1 THE COURT: Yes. Let me just find that.
2 MS. SZCZEPANIK: I can hand you a copy.
3 THE COURT: Yes. OK.
4 (Pause)
5 When are the answers due?
6 MS. SZCZEPANIK: Your Honor, the SEC has furnished
7 each defendant with the request for waiver, and some of those
8 waivers --
9 THE COURT: Did you serve them personally to counsel
10 here, the hope is?
11 MS. SZCZEPANIK: In fact, some of them have already
12 executed the waivers, and we will caucus with each of the ones
13 we haven't to make sure of what their plan is. And if their
14 plan is not to execute the waiver, we will serve them promptly.
15 THE COURT: Is there any party here who is not
16 prepared to accept service today of the complaint on behalf of
17 their client?
18 (Pause)
19 OK. So you can serve them all right to them.
20 MS. SZCZEPANIK: OK.
21 THE COURT: So does the Section anticipate any
22 additional parties?
23 MS. SZCZEPANIK: Your Honor, as you probably are
24 aware, the SEC's investigation is ongoing and --
25 THE COURT: I thought you were in a lawsuit.
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1 MS. SZCZEPANIK: Correct.
2 THE COURT: I thought you brought a lawsuit because
3 you were prepared to go forward with your lawsuit.
4 MS. SZCZEPANIK: We are prepared to go forward, your
5 Honor.
6 THE COURT: Good. So do you contemplate additional
7 parties?
8 MS. SZCZEPANIK: It is a real possibility that there
9 will be an amendment adding additional parties. However, we
10 can't comment on the timing of that, unfortunately.
11 THE COURT: Well, all right. So you had proposed for
12 the additional pending parties December 31st, correct?
13 MS. SZCZEPANIK: Correct. The earlier of either
14 December 31st or 20 days after the last answer is filed.
15 THE COURT: So the answer is if you serve everyone
16 today, which you are going to do, the answers will be due 20
17 days from today. So that's essentially Thanksgiving. That
18 will be fun. And so it sounds to me like we can have joinder
19 of additional parties by December 15th; yes?
20 MS. SZCZEPANIK: OK.
21 THE COURT: So let me just make sure that is a
22 weekday.
23 Yes. OK. So joinder of additional parties by
24 December 15th.
25 Amended pleadings without leave of Court by
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1 December 15th.

2 Now, any party can always move to amend pleadings with
3 leave of Court but then it can be imposed.

4 So now you had in your proposal first request for
5 production of documents must be served by November 24th. Why
6 so late?

7 MS. SZCZEPANIK: I think that's the outside date, your
8 Honor. So, in other words, the first request for production
9 could be served anytime before but that was the last date for
10 the first --

11 THE COURT: Yes. So why do you want to wait until
12 then?

13 MS. SZCZEPANIK: Well, that decision hasn't been made
14 to wait until then but --

15 THE COURT: Good. Let's make the decision to not to
16 wait until then. How about November 16th, you know, for the
17 limited -- very limited interrogatories permitted under Local
18 Rule 33.3(a), which are the only interrogatories I permit
19 absent special circumstances?

20 OK. Then experts. Do you contemplate experts?

21 MS. SZCZEPANIK: We contemplate there would probably
22 be an expert maybe on materiality would be the issue, your
23 Honor, but we reserve the decision.

24 THE COURT: Why would that be an area for expertise?
25 So the test of materiality, what a reasonable investor would

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1 take account of as important for making an investment decision,
2 or something like that?

3 MS. SZCZEPANIK: Correct. The test is whether a
4 reasonable --

5 THE COURT: You do not think that a jury can determine
6 what a reasonable investor would do?

7 MS. SZCZEPANIK: We hadn't decided, frankly, whether
8 or not we would use an expert, but we would like to reserve
9 that decision until the expert deadline.

10 THE COURT: All right. Does anyone else have in mind
11 any experts?

12 (Pause)

13 OK.

14 MR. ALTMAN: Your Honor, we may use a market expert.

15 THE COURT: A market expert?

16 MR. ALTMAN: That is right.

17 THE COURT: To say what?

18 MR. ALTMAN: To talk about price movements in the
19 market, trading. We haven't gotten that far, but we would
20 certainly like to preserve that opportunity.

21 THE COURT: All right. Under my case management plan,
22 the party that is the proponent of a position that calls for
23 expert opinion has to have their expert report first so that
24 the other party can then respond. So, for example, that sounds
25 like you might well be the proponent of a position, so you

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1 would be bound by the earlier date on the case management plan.
2 Then they would have their responding expert, if any, for the
3 second date. The reverse would be true if they have this
4 purported expert on materiality, which I am very skeptical of.

5 So let's see what dates you propose on that.

6 January 5th I can do it. That's OK.

7 And January 26th for the responding expert.

8 Now, is there anyone that the SEC contemplates taking
9 the depositions of? And this is not binding because other
10 things may determine it that may come up during discovery. But
11 as you see it now, other than the defendants?

12 MS. SZCZEPANIK: Your Honor, there may be some
13 third-party witnesses from the issuers specifically. So
14 witnesses from each of the companies from which the information
15 allegedly was taken we may need to depose, depending on whether
16 or not those witnesses are making themselves available or not.

17 THE COURT: All right. So how about defense counsel?
18 Who do you want to depose?

19 (Pause)

20 No one? It will be a short case.

21 MR. HAKKI: Your Honor, Adam Hakki for Galleon.

22 We would anticipate deposing, like the government
23 indicated, some of the individuals from the companies that
24 issued the securities that are at issue as well as the alleged
25 tippers referred to in the complaint, which we understand to be

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1 cooperating government witnesses.

2 THE COURT: All right.

3 MR. KAUFMAN: Your Honor, Alan Kaufman for the
4 defendant Chiesi.

5 It is a little early for us to decide who we might
6 want to be deposing here, but we would certainly consider
7 wanting to depose the people who are identified as the sources
8 of information to my client. So that is certainly something we
9 would be seriously considering.

10 THE COURT: Seriously considering, or almost certainly
11 doing, unless your malpractice insurance is extremely high?

12 MR. KAUFMAN: Certainly in that range. Absolutely,
13 your Honor. We don't know all of who those witnesses yet but
14 that is the category of witnesses, obviously, we would be
15 interested in.

16 THE COURT: So I think there will be --

17 MR. ALTMAN: Your Honor, Theodore Altman for Mark
18 Kurland.

19 There is a whole community of analysts that are
20 possible witnesses I couldn't say we have determined to take
21 but we may.

22 THE COURT: Well, the SEC proposed March 5th for the
23 completion of all depositions and that was partly based on the
24 trial-ready date that I had, but I think realistically there
25 are going to be maybe a couple of dozen depositions in this

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1 case. So I am going to extend the date for the completion of
2 all depositions, because I like to have dates that are
3 realistic but firm and not subject to change, barring unusual
4 circumstances. So why don't we say April 16th for the
5 completion of all depositions. That will enable you to file
6 your income taxes and still have the one full day to complete
7 depositions.

8 Requests to admit, March 16th.
9 All discovery to be completed by April 30th.
10 Moving papers on summary judgment May 14th.
11 Answering papers May 28th.
12 Reply papers June 4th.

13 And we'll have a final pretrial conference as well as
14 oral argument on any summary judgment motion, let's look at
15 June 11th.

16 THE CLERK: 2 p.m.
17 THE COURT: June 11th at 2 p.m.

18 Now, let's talk about a trial date. I think, given
19 the nature of this case, we ought to set a trial date now so
20 that you can clear your calendars and not have to worry about
21 that.

22 So assuming there are substantial summary judgment
23 motions, I think it would take until the end of June for me to
24 decide those. Then assuming there is still something to be
25 tried, you would want at least a month for trial preparation.

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1 So I would suggest for a trial date Monday, August 2nd.

2 Is there anyone who can't be available then?

3 (Pause)

4 All right. So I'll change, make that the trial date.

5 And I've signed the case management plan, and it will
6 be filed with the Clerk of Court and, therefore, electronically
7 available to all parties.

8 OK. Now, from my standpoint, that is a firm and fixed
9 date, the August trial date. If we have to make adjustments
10 within the discovery schedule to accommodate special
11 situations, of course I will be happy to hear you; but I think
12 you need to realistically look at that August date as a firm
13 date, barring something truly extraordinary.

14 Sir.

15 MR. ALTMAN: Your Honor, there is an obvious issue
16 here of the criminal proceedings that are going on
17 contemporaneously. The defendants are put in a position in
18 those criminal proceedings to consider whether they wish to
19 assert their Fifth Amendment right. I don't -- as I understand
20 it, and I know from my defendant, that issue hasn't been
21 broached yet. But if --

22 THE COURT: Reading in the papers, from all sorts of
23 defendants here, how they are innocent as lambs and want to
24 prove it.

25 MR. ALTMAN: That may be. That may be the way all the
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1 defendants go. But absent some consideration, a defendant may
2 wish to choose to assert the right. It has very significant
3 implications for this proceeding, and it is simply unfair if
4 those implications apply.

5 And while I am not sure that this is the time to
6 broach it, it is an issue that I would at least like to alert
7 the Court to that we may be bringing up in the future.

8 THE COURT: Well, of course, I'm happy to hear any
9 issue anyone wants to raise. The longer you wait, the more you
10 risk having the issue dealt with in terms of untimeliness. So
11 the sooner you want to raise an issue, the better. This is an
12 issue that many courts have dealt with many times, and,
13 therefore, I wouldn't be too optimistic, if I were you, as to
14 what the result might be.

15 An important lawsuit has been brought. The parties,
16 we don't have their formal answer yet, but every indication is
17 that many, if not all the parties here, will not admit the
18 allegations of the complaint. It is, therefore, important that
19 the matter move forward and move forward expeditiously so that
20 the parties and the public know what the truth is. It is in no
21 one's interest, as near as I can tell, to have serious
22 allegations just floating out there, unresolved by the truth
23 finding processes of the laws and practices of the United
24 States. And, therefore, subject to being, of course, persuaded
25 otherwise by any counsel, it is the Court's intention to move

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1 this case forward.

2 But, of course, if you want to file any motion, as you
3 may know, what you need to do is get any affected counsel on
4 the phone, call my chambers. We'll set a motion schedule. The
5 discovery schedule will go forward. The case management plan
6 will never be held in abeyance while motion practice proceeds.
7 They will proceed on parallel tracks. But I am happy to have
8 any motion -- you are entitled to file any motion you want, and
9 we'll set a schedule for it over the phone and then the
10 filings, of course, would be public and any oral argument would
11 be public.

12 So if you have a motion to file, I encourage you to do
13 it sooner rather than later.

14 Anything else anyone has?

15 (Pause)

16 All right. Very good. Thanks so much.

17 THE CLERK: All rise.

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